

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

A regular meeting of the Board of Agriculture & Conservation (BAC) was held October 24, 2016 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:30 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Chris Flickinger, Board member
Ms. Deidre Berberich, Board member
Mr. Troy Shelden, Board member
Ms. Roxy Marcy, Board member (telephone)

Board members absent were:

Mr. Jason Smith, Board member

Staff in attendance was:

Ms. Ed Fogels, Deputy Commissioner DNR
Mr. Arthur Keyes, Director (telephone)
Ms. Brianne Blackburn, Natural Resource Manager II
Ms. Lora Haralson, Administrative Officer I
Mr. Daniel Wilkerson, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Mr. Robert Carter, PMC (telephone)

Public in attendance was:

Rean Brooks
Rick Gattis
Amy Pettit, Alaska Farmland
Amy Seitz, Farm Bureau (telephone)
Robert Gibson, (telephone)
Katie Sunderland, ARRC
Franci Havemeister
Scott Mugrage (telephone)

B. APPROVAL OF AGENDA

MOTION: Board member Berberich moved to approve the agenda.

SECOND: Board member Shelden seconded the motion.

VOTE: The motion passed without objection.

C. PUBLIC COMMENTS/SESSION

Richard Gattis, gave an update on his Pt. McKenzie farm. He is producing hay for the horse and cattle market. He now has 90 head of cattle, has cleared and planted 15 additional acres on Tract 17 and has been expanding the farm. He is concerned about Mt. McKinley Meat & Sausage (MMM&S) plant closing.

Franci Havemeister see written public comment below dated October 24, 2016.

For the record, my name is Franci Havemeister. I was the division of agriculture director from August of 2007 – December of 2015. It was an honor to work with this board, division staff, and the agriculture industry during my tenure.

I come before you today, to publicly recognize and thank Frank Huffman, Jim Crigger, and Nate Hamelink for their hard work and dedication to the operation of MMM&S. Their commitment to the red meat industry was apparent; whether it involved receiving animals after hours to accommodate a producer's schedule, performing animal weight in's and carcass evaluations for FFA and 4-H fair animals, providing assistance to cattle and pork producers windows in selling of animals; working with ADF&G on animal necropsies on a Saturday, weekend freezer checks to ensure temperature stability, marketing Alaska grown products to fair vendors; and even working with USDA to provide an on farm inspection and kill shot to assure the bison would fall under USDA rules and be allowed into commerce – and this is just to name a few things.

I think it is important to note, that MMM&S has relied heavily on inmate labor and has provided DOC a training opportunity for incarcerated Alaskans. During my time as director, it was extremely challenging to get adequate and/or consistent help. There were times that the plant operated with as few as 2 inmates, and even when adequate inmates were provided, turnover was often every few days. This made it extremely challenging to operate the slaughter and production line. Although the production managers had no control over the shortage and lack of consistent labor, they took a lot of heat from industry when scheduling ran behind.

Living in this small community, rumors often run rampant. I was surprised to hear last spring from a community member – that the meat plant was under investigation by the ombudsman's office and the palmer police. Soon after, as I listened to the BAC audio tape that was posted on the division web site I was surprised to hear the Director state that the investigation of the meat plant was taking "24/7" of his time. That being said, and since the investigation was mentioned publicly. I believe the public should hear the outcome of the investigation. Were the allegations substantiated or not?

Once again, I want to recognize Frank, Jim and Nate for all their hard work. The red meat industry will miss your skill and dedication when you are gone.

Franci Havemeister

D. MINUTES OF PRECEDING MEETINGS

Board of Agriculture & Conservation Draft minutes August 17, 2016.

- MOTION:** Vice Chair Schirack moved to approved the August 17, 2016 minutes.
SECOND: Board member Berberich seconded the motion.
VOTE: The motion passed without objection.

Board of Agriculture & Conservation Draft minutes September 12, 2016.

- MOTION:** Vice Chair Schirack moved to approved the September 12, 2016 minutes.
SECOND: Board member Berberich seconded the motion.
VOTE: The motion passed without objection.

E. CONFLICT OF INTEREST DISCLOSURES

Chair VanderWeele stated now is the time for conflict disclosures. You have the agenda outlining pending business and we will be going into executive session later to address loan requests. Does any member have a conflict to disclose relating to any business before the board?
No conflicts were reported.

MMM&S Discussion:

Chair VanderWeele stated that all the board members are volunteers and they are from different geographic areas and different industries. The Board is appointed by the Governor and they are not employees of the State of Alaska and they represent the agriculture industry. Chair VanderWeele stated on many different occasions in grocery stores, people have asked him what is happening with MMM&S. There is a lot of misinformation and it is time to put a stop to that and hopefully we can put a closure on the questions about MMM&S. People are being told from MMM&S that the last date for accepting animals will be December 15, 2016. It is time for the Department of Natural Resources (DNR) and the Board of Agriculture & Conservation (BAC) to layout the facts for MMM&S. At the last legislative session, they moved to fund the plant until June 30, 2017 and the legislature's wish was to privatize the plant. We need to make sure MMM&S will stay open until June 30, 2017. Deputy Commissioner Ed Fogels stated that there are no plans from DNR to close MMM&S before June 30, 2017. DNR is trying to get non-permanent positions to cross train.

Natural Resource Manager II Brianne Blackburn stated the Division has put forward the request to hire three long-term non-permanent employees. She has spoken to staff at MMM&S and animals will be accepted past December 15, 2016. The recruitment process for the three long-term non-permanent employees will begin as soon as possible. The Division's intent is to have the non-perm employees hired by November 1, 2016.

Chair VanderWeele has stated he is concerned with the HACCP and he doesn't want to lose the USDA plant.

Vice Chair Schirack knows that one staff person from MMM&S will be leaving on December 12, 2016.

Deputy Commissioner Ed Fogels stated the non-perm approval is with Fabienne Peter-Contesse who is the DNR Support Services Director.

Board member Flickinger stated it is tricky to transfer the HACCP plan.

Vice Chair Schirack asked what is the process for the HACCP training? Do we just make it a slaughter facility, hanging and not transport?

Robert Gibson (telephone) suggested the Board contact Amy Seitz at the Farm Bureau regarding possible applicants for the long-term, non-perm positions.

Chair VanderWeele stated the current positions are Department of Corrections (DOC) position descriptions.

Natural Resource Manager II Brianne Blackburn said the positions are specific to the correctional industries and language talks about supervising inmates.

Chair VanderWeele asked why can't we do away with the inmates which create a lot of headaches. Why don't we just slaughter at the plant.

Deputy Commissioner Fogels stated the management of MMM&S is the responsibility of the Division. We are hoping for a smooth transition. DOC is fully aware as of June 30, 2017 there will be no inmates at the plant.

Richard Gattis stated we are running out of time and a lot of people are depending on MMM&S.

Director Keyes stated that personal matters are a legal restriction and that is why we can't discuss them in public session.

E. REPORTS/CORRESPONDENCE

Loan Officer Swanson:

Stated the remediation work at the Palmer Feed mill property has been completed and Matanuska Brewery is now working on financing they have 180 days due diligence and hopefully will close before the end of December.

The RFP for appraisal for MMM&S was set out and no bids were received so a Brokers Opinion of Value was obtained which valued the land and buildings at \$860,000.

MOTION: Vice Chair Schirack moved to go into executive session.

SECOND: Board member Berberich seconded the motion.

F. EXECUTIVE SESSION

The Executive Session for the MMM&S discussion and Request for Proposal for Mt. McKinley Meat & Sausage included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger, Board member Troy Shelden, Board member Roxy Marcy (telephone), Ed Fogels DNR Deputy Commissioner, Arthur Keyes Director (telephone), Daniel Wilkerson AAG, Natural Resource Manager II Brianne Blackburn, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson. Scott Mugrage (telephone) member from public attended the Executive Session regarding MMM&S discussion.

PUBLIC SESSION

RFP MMM&S

MOTION: Board member Shelden moved to issue an RFP for lease or outright sale of MMM&S sale for \$700,000.00 with preference given to anyone who would continue to operate the meat plant.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

BOARD RESPONSE FOR MMM&S

The Board of Agriculture & Conservation wants the public to know that it is our intent to keep MMM&S open until June 30, 2017.

G. NEW/OLD BUSINESS

There was no new/old business.

H. BOARD MEMBER COMMENTS

There were no board member comments.

I. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be determined at a later date.

J. ADJOURNMENT:

The meeting was adjourned at 4:15 p.m.